

~~CONFIDENTIAL~~

AR-D-2031

3-1893

August

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT : Advances or Payments to Employees for Personal Expenditures

1. **PROBLEM.** To assure adequate financial assistance to employees for unusual personal expenses arising out of their relationship with the Agency.
2. **FACTS BEARING ON THE PROBLEM.** There is a continuous flow of requests or claims on behalf of employees for payment of certain types of expenses which are normally ruled "personal." The cases here considered are those in which the Agency is in no different position from that of any other Government Agency, i.e., travel of dependents for medical care, extra expenses caused by change of Agency plans, and similar situations.
3. **DISCUSSION.** Even under its broad authority, CIA has no more right to use Government funds for payment of personal expenses than any other Agency. It is essential, however, to maintain a proper sense of responsibility to employees' problems, and it is, therefore, incumbent on the Agency administration to assure that employees can finance their personal problems without turning either to loan sharks or the misuse of Government funds. Travel advances are legitimate and are helpful to a limited extent. The CIA Credit Union is a logical and normal means of acquiring extra cash for immediate needs at reasonable rates. This has not yet been extended to employees in overseas stations where the need is urgent. If the Credit Union were so extended it might provide a satisfactory solution to all problems, but there is a strong possibility that still further assistance might be needed. A solution employed in other agencies has been the establishment of a welfare association financed in a variety of ways out of other than Government funds.
4. **ACTION RECOMMENDED.**
 - a. That the CIA Credit Union be authorized to extend its facilities to meet the needs of CIA employees ~~stationed or traveling abroad.~~

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- b. That the Comptroller be made responsible for studying this extension of the Credit Union and the needs of employees to ascertain the desirability and feasibility of establishing a CIA Welfare Association.

15/
L. K. WHITE
Assistant Deputy Director
(Administration)

APPROVED ~~DISAPPROVED~~ (As indicated Below)

15/ RDHH for MRW

WALTER REID WOLF
Deputy Director
(Administration)

1 Att - Tab A (w/att 1 - 8)

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cc: Comptroller (w/basic) GC Office)

General Counsel

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4. a. As written.

4. b. That the Comptroller be made responsible for implementing this extension of CIA Credit Union facilities and for preparing a study (1) of its estimated effect, and (2) in coordination with the Assistant Director for Personnel and the Assistant Deputy for Security, on the desirability and feasibility of establishing a CIA welfare association.

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